

A2ii 10-Year Anniversary Conference

2 - 3 September 2019

Panel: Impact of insurance regulation

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Craig Churchill, ILO Impact Insurance Facility
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1 NO POVERTY



2 NO HUNGER



3 GOOD HEALTH



4 QUALITY EDUCATION




5 GENDER EQUALITY



6 CLEAN WATER AND SANITATION



7 RENEWABLE ENERGY



8 GOOD JOBS AND ECONOMIC GROWTH



9 INNOVATION AND INFRASTRUCTURE



10 REDUCED INEQUALITIES



11 SUSTAINABLE CITIES AND COMMUNITIES



12 RESPONSIBLE CONSUMPTION



13 CLIMATE ACTION



14 LIFE BELOW WATER



15 LIFE ON LAND



16 PEACE AND JUSTICE

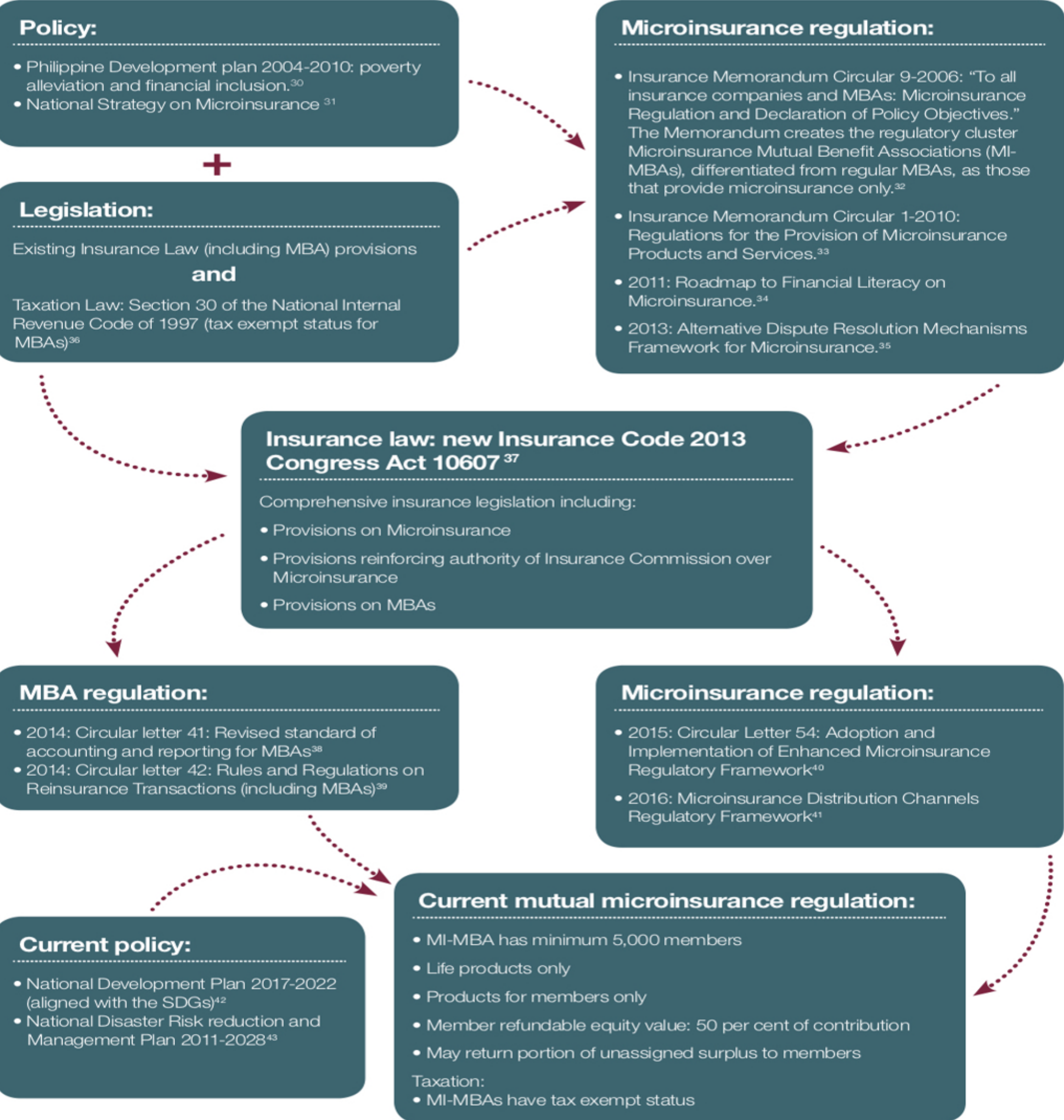


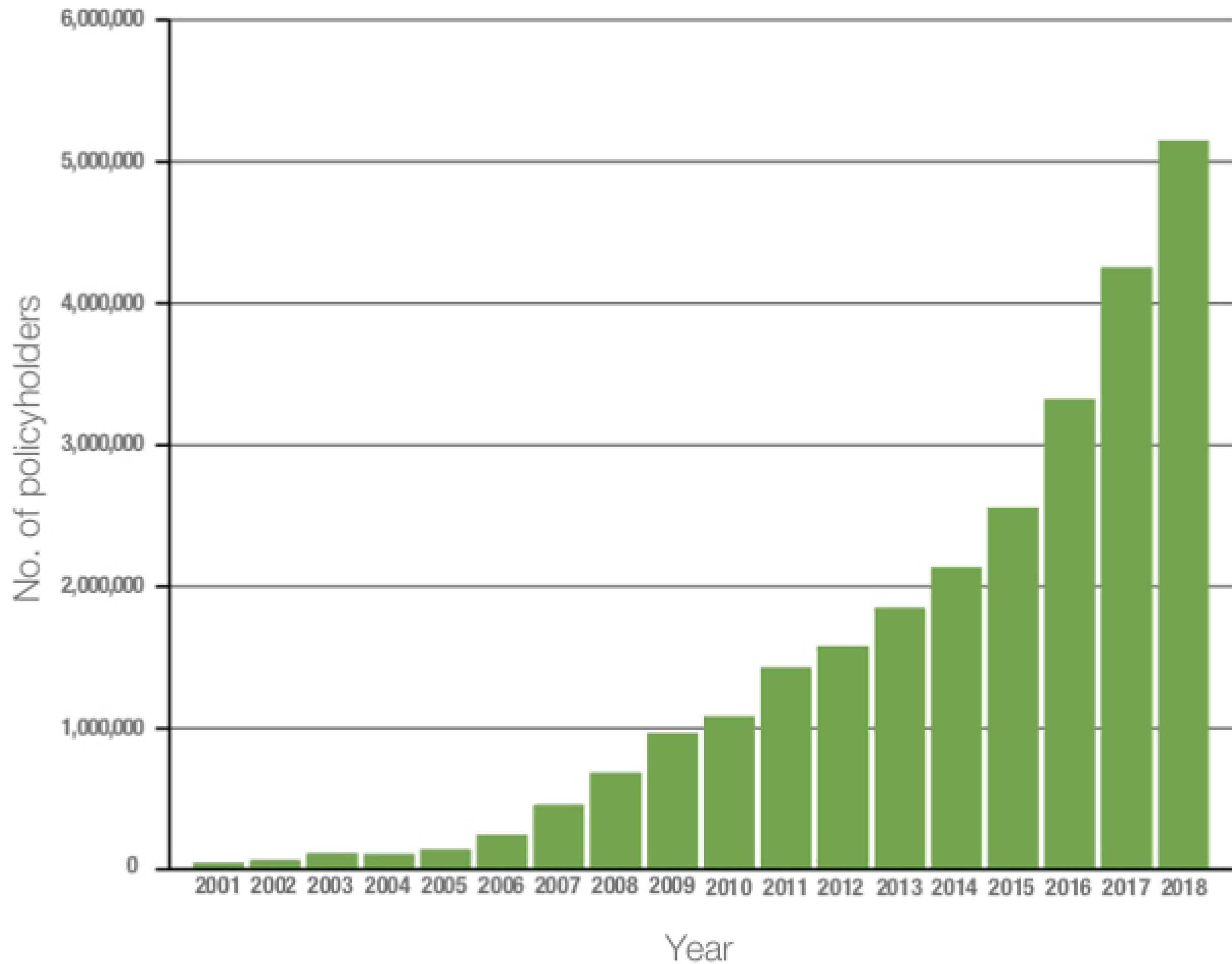
17 PARTNERSHIPS FOR THE GOALS



THE GLOBAL GOALS
For Sustainable Development

The development of Philippine mutual microinsurance regulation





Source: CARD MBA 2019⁷²

Impact assessment framework

A: Prospects of recovery: CARD MBA and Typhoon Haiyan (SDGS 1, 11, 13)

Questionnaire sections	Topics covered
General	Losses during Typhoon Haiyan, type of insurance product at the time, purchase power with pay-out, help available
Claims process	Difficulty in making the claim, length of the payment, clarity in what the claim could be made for, satisfaction
Resilience	Back in pre-Haiyan economic levels or not, role of insurance, any other help, NGO intervention, loan repayment, contribution of CARD MBA's networks, accommodation, children going back to school, recovery methods if loss but no pay-out
Value of insurance	Interest in insurance or more insurance products since Typhoon Haiyan, other advantages of insurance if no pay-out

B: Trust in microinsurance: CARD MBA and its members (SDGS 1,4,5,8)

Questionnaire sections	Topics covered
General	Length of membership, type of financial product, insurance coverage, knowledge of the insurance part before joining the MFI, present knowledge, differentiation between insurance part and loans part, trust, opportunity cost of insurance, difficulties to pay the premium
Policy	Understanding of the document, confidence in where to get more information, exemptions, claims experience
Risk behaviour and Resilience	Improvements since joining the organisation: house and assets, business, children's education, financial knowledge, food, sense of security, gender empowerment Specific improvements in reducing risk exposure

C: Networks and services: added values of a mutual microinsurance system (SDGS 11,16)








Questionnaire sections	Topics covered
Membership	Knowledge on who owns CARD MBA, meaning to policyholder's interests, sense of ownership, leadership, fraudulence, referring CARD MBA to friends and family
Democracy	Participation in policymaking and decisions on products offered, elections to the board, channels to express views, importance of one's opinion, complaints mechanisms
Created to serve a defined group ⁹	Networks of volunteers, access to new opportunities, perceptions of value
Solidarity	Experience of being helped beyond the insurance product, community support
Not for profit ²	Awareness on how finance works, administration of premiums

Key findings across the four groups (results of a significant majority)

	A1 (Households who were insured and made a claim)	A2 (Households who were insured but did not make a claim)	B1 (Households who were not insured before Haiyan but are insured now)	B2 (Households who were not insured and remain uninsured)
Recovery:				
Housing	Yes (1-6 months)	Yes (1-6 months)	Yes (1-6 months)	Yes (1-12 months)
Business	Yes (1-6 months)	Yes (1-3 months)	No	No
Financial Recovery	Yes	Yes	Yes	No
Means of recovery (in addition to work)	<ul style="list-style-type: none"> * Aid organisations * Loans <p>Observations:</p> <ul style="list-style-type: none"> • No significant help from family and friends • Hardly any withdrawal of savings. • High numbers took loans • Some help from the government 	<ul style="list-style-type: none"> * Aid organisations * Loans * Savings * Family and friends <p>Observations:</p> <ul style="list-style-type: none"> • Similar high number of loans as A1 • Significant help from family and friends (access to their community networks of financially empowered people) • Withdrawal of savings • More help from the government than A1 	<ul style="list-style-type: none"> * Aid organisations * Savings * Selling assets <p>Observations:</p> <ul style="list-style-type: none"> • Very low borrowing from family and friends • Combination of immediate coping mechanisms • They joined CARD MRI to access loans for their businesses and houses • Some help from the government 	<ul style="list-style-type: none"> * Aid organisations * Government <p>Observations:</p> <ul style="list-style-type: none"> • Almost all resorted to government help • No loans, no savings and no borrowing from family and friends • Higher numbers of houses' walls built with light materials and more open fires for cooking
House materials:				
Strong Roof	Yes	Yes	Yes	Yes
Strong Walls	Yes	Yes	Yes	No
Stoves	Gas	Gas	Gas	Open fire
Children back to school	Yes (1-3 months)	Yes (1 month)	Yes (1 month)	Yes (1 month)



Indicators for insurance operations to demonstrate their contribution to relevant SDGs

SDG	INDICATOR		CARD MRI-CARD MBA
	SOURCE	IMPACT INDICATOR	
	SPIfM	% insured below the poverty line % insured above retirement age	35% 0.3%
	ICMIF 555	% attending customer Education Meetings	80–90% (as monitored by the CARD MRI's training Institute in charge of coordinating Credit with Education) – CARD MRI, 2019i
	SPIfM	% females insured (policyholders)	75.9%
	FPIfM and CARD MBA's data classification	* Average expense ratio * Average claims ratio * Renewal ratio * Annual growth ratio of active members * Annual growth ratio of insured * Promptness of claims settlements * Claims rejection ratio * Risk-based capital ratio * Solvency ratio	(data in table in page 28 and Annex 1)
	SPIfM	(Measuring mutuals' pillars of solidarity and created to serve a defined group) Social investment ratio % of volunteers contributing to the business (MBA coordinators, community centre chiefs/treasurers/secretaries)	1.18% of CARD MRI gross income 7% of total CARD MBA membership
	N/A	Early warning texts	Cascade system (page 33)
	----- SPIfM	(Measuring mutuals' pillars of democracy, member ownership and not for profit) % of the organisation owned by the members ----- Complaints ratio	CARD MBA: 100% CARD MRI: Total % of CARD MRI owned by CARD MBA (figures in page 26) ----- Newly created Customer Relations Unit and weekly centre meetings

To support national regulatory development and implementation, indicators have been developed by the A2ii and ILO via regulatory impact studies in the Philippines and Peru (page 19 of this report). CARD MBA's work with the Philippine Insurance Commission was also covered in the study. These indicators could be placed in SDG 10, for the measurement of effective financial regulation (Target 10.5: Improve the regulation and monitoring of global financial markets and institutions and strengthen the implementation of such regulations).